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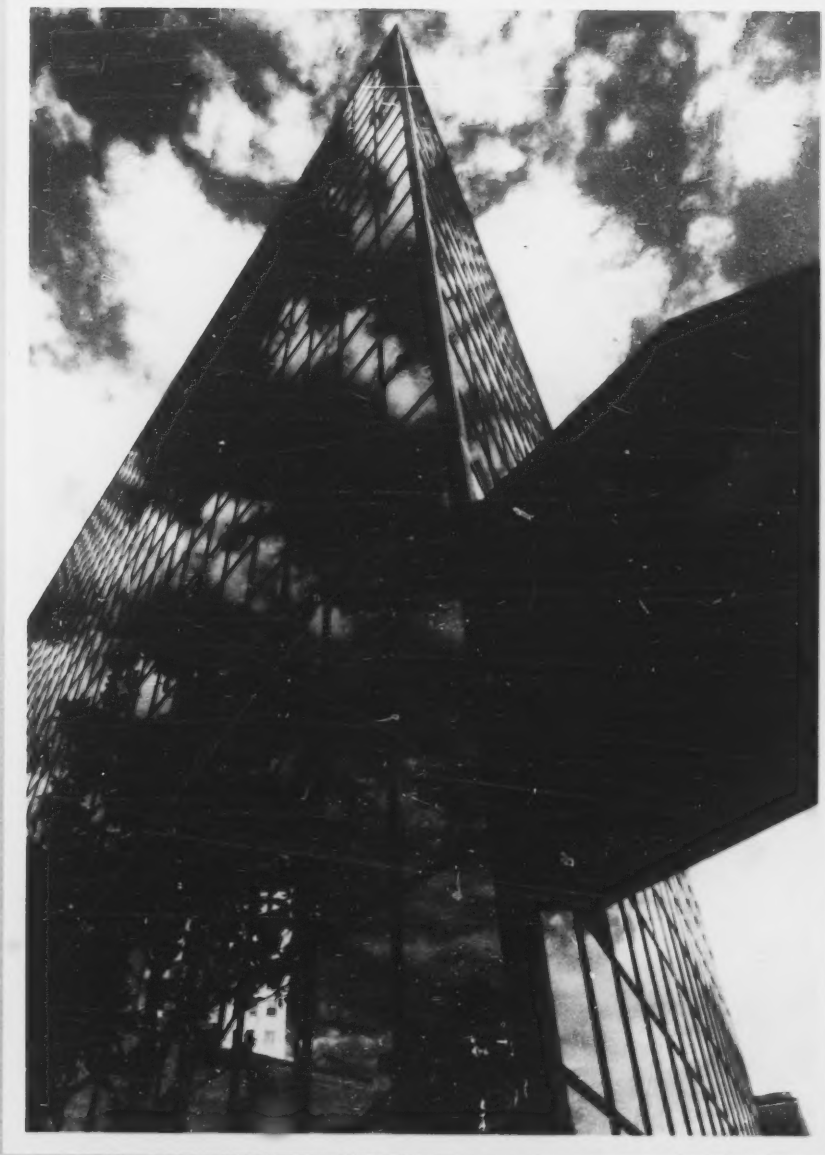
Digest

Iowa Development Commission

November 1984



Terra Centre – Symbolizing Sioux City's Rebirth

Industrial Expansions

American Sports Company, Inc.

relocates in Cedar Rapids

American Sports Company of Omaha, a manufacturer of specialty and promotional fiberglass items, will move its office and the bulk of its manufacturing operations to Cedar Rapids. Initial plans call for 30 employees occupying a 30,000-square-foot facility. Employment is expected to grow to 100 to 150 within a year as the company's sales increase. The major item to be manufactured in Cedar Rapids will be round refrigerators, decorated to represent beer or soft drink cans. Financing from Cedar Rapids is in excess of $1 million in the form of loans, as well as direct investment.

EDP

moves into new facility

Economy Data Products, Inc. of Des Moines has recently moved its operations into a new 52,000-square-foot facility, including a 40,000-square-foot warehouse designed to store raw paper and finished goods to a height of 22 feet. As a result of this expansion, EDP has added about fourteen people, and according to Harrington Mason, president, "Within the next year we plan to add another ten to twelve people involved in Telemarketing."

SPERRY

adds workers at Clear Lake facility

Sperry Univac will hire more than 100 new workers over the next nine months at the Clear Lake plant to produce a new computer system, the 1100/90, which is the fastest and largest model built by the company. Since April, approximately 100 people had already been hired, bringing current employment to 590.

Dewaine Osman, vice president of the Americas Division for Sperry computer systems operations, cited Iowa's hard-working and well-trained work force as the main reason for the additional staff. In addition, he was quoted as citing Iowa's "positive business climate" as a factor in further company investment at the Clear Lake plant.

TRANSAGRA CORPORATION

expands Storm Lake facilities

TransAgra Corporation in Storm Lake is expanding its current facilities with a 72,000-square-foot addition. The manufacturers of lactobacillus fermentation products for plant, animals and forage, TransAgra had added seven employees.

Cessna

United Hydraulics
Fluid Power Division
Cessna Aircraft Company

adds new product line at Hampton facility

United Hydraulics/Fluid Power Division of Hampton, a manufacturer of hydraulic cylinders and accumulators used in the mining, construction equipment, marine and military markets, has announced the addition of a new cylinder product line to its Hampton facility. Beginning in October, in addition to its traditional products, United will manufacturer a wide variety of single-action cylinders that are used primarily by agricultural equipment manufacturers. Over the next year, this expansion will add approximately 25 new jobs to the Hampton facility which currently employs 125 people. United Hydraulics is a subsidiary of Cessna Aircraft Company.

Mohawk ADVERTISING

expands Mason City offices

The Mohawk Advertising agency has recently completed a building construction project, bringing the entire office complex to 15,000-square-feet. During the last year, the Mason City based agency has added 19 employees for a total of 43 workers, and their client list now totals 19 consumer, industrial and agricultural accounts. Mohawk, now at $13 million in billings, is among the top four advertising agencies in Iowa.

WAL-MART

opens stores in Burlington and Mt. Pleasant

Wal-Mart Stores, Inc., has officially announced its plans to open discount department stores in both Burlington and Mt. Pleasant. The 79,900-square-foot Burlington store, which is currently under construction, is projected to open in the Spring of 1985. The opening of the store will provide approximately 115 jobs.

The new 50,968-square-foot Mt. Pleasant discount store, employing approximately 100 associates, is scheduled for final preparation in early 1985. In addition to the store, Wal-Mart Stores, Inc., is in the process of constructing a 653,000-square-foot distribution center in Mt. Pleasant, the company's seventh distribution center in the country.

Iowa goes to China

With a snip of a ribbon, Governor Terry Branstad initiated Iowa's official commercial presence in Asia with the September 24 opening of the Iowa Development Commission's Asian office, located in space leased from The Ertl Company of Dyersville in Hong Kong's World Shipping Center. During the grand opening ceremonies, Governor Branstad announced the appointment of Jimmy Chu (left) as the new director of the Asian office. Also pictured is Jack Bailey (right), director of the Iowa Development Commission.

W. Carl Jensen (left), vice president of operations for The Ertl Company's Hong Kong office, welcomes Jimmy Chu (right), the new director of the Iowa Development Commission's Asian office.

On the mainland

After leaving Hong Kong, state officials accompanying the Governor on Iowa's mission to the Far East visited Iowa's sister state in the People's Republic of China, Heibei Province. The Iowa delegation was given a tour to the Great Wall of China (shown in the photo with Governor and Mrs. Branstad is Richard Doak, reporter for the **Des Moines Register**) and were honored guests during the 35th anniversary of the founding of The People's Republic of China (above). After their four-day stay, the mission proceeded to Japan. This was the governor's first foreign mission since his election in 1982.

Iowa leaders get advice

Pierre du Pont, governor of the state of Delaware, presented his formula for economic renaissance at the September 29 meeting of the Committee on Iowa's Future Growth, the 35-member panel appointed by Governor Branstad to recommend ways to improve the state's economy.

At the beginning of his presentation, Governor du Pont stated that his state was "at the very bottom of the economic pile" in 1976. Today, the state has a 12 percent budget surplus; it has cut personal income taxes twice; its unemployment rate is below the national average; and personal income growth leads all 50 states.

Du Pont credited the state's turnaround to his two-part formula for economic renaissance — a formula that might be adaptable to Iowa. The first part of this formula is to get the leaders of the private sector involved in the decision-making process; and secondly, to rein in state spending and taxes through constitutional amendments. This part of the formula is "very comforting" to employers interested in locating in the state, he said.

Delaware also made a deliberate effort to attract a new industry — financial institutions. To assist in these efforts, the Legislature passed special legislation removing interest rate ceilings with the stipulation that these provisions applied only to institutions that created 100 jobs in the state within a year.

In addition, the state lowered its maximum income tax rate from 19.8 percent to 10.7 percent. According to du Pont, the tax cut for the wealthy was seen as "an economic development tool, as a job generating tool," and apparently it has worked. While it was estimated that the cut would cost the state $25 million a year in revenue, the actual cost ended up to be only $8 million because of the additional growth generated in the economy.

An ASSET to U.S. business

The U.S. Agency for International Development (AID) has developed a computerized data base to help link small and medium-sized U.S. firms to potential buyers in developing countries. American companies that ship U.S. goods to their foreign subsidiaries will find ASSET useful as well. The Automated Supplier System for Export Trade, called ASSET for short, currently lists 33,000 U.S. exporters offering 2,500 products. Potential buyers can use ASSET to locate U.S. companies that manufacture the products they need. If your firm would like to be listed in ASSET, or if you're a buyer and would like to know how to find suppliers through ASSET, contact McManis Associates at 201 Sansome Street, San Francisco, CA 94104 or 1201 Connecticut Avenue NW, Washington, D.C. 20036. You can also call them at (415) 398-3087 (San Francisco) or (202) 466-7600 (Washington, D.C.)

Tools and Trends... in Community Marketing

Larry Cohick, director of the Birmingham, Alabama, Metropolitan Development Board, will be the keynote speaker at *Tools & Trends in Community Marketing*, a development conference scheduled for November 27 and 28 at the Hyatt Hotel across from the Des Moines Municipal Airport.

Cohick was prominantly featured in a 1983 series of articles by *The Des Moines Register* writer Arnold Garson comparing economic growth in Iowa and North Carolina.

Tools & Trends in Community Marketing, sponsored by the Iowa Development Commission, will include presentations on Community Prospecting, Government Incentives, Successful Location, Start-Up Training and Industrial Site Planning.

Governor Branstad will address the group and present awards recognizing excellence in industrial site information.

Inquiries about registration details should be addressed to Shelia Langdon at the IDC, 515/281-3664.

Waste material program

A system for industries to sell or buy usable waste materials is being offered in Iowa. The Iowa Association of Business and Industry is spearheading the work to include Iowa in the Illinois Industrial Exchange Service.

A participating company may list any waste material in the confidential exchange service. The service lists available waste six times per year. Presently, there is no charge for this listing.

If a company wants to list a waste material with the exchange service or receive the waste and exchange bulletin, please advise the Iowa Association of Business & Industry's office by letter at 717 Mulberry Street, Suite 706, Des Moines 50309.

Terra Centre: an elegant example of Sioux City "Renaissance"

Sioux City, today, is undergoing a rebirth of civic, business and industrial pride. With the establishment of the Council-City Manager form of government and a new Civic and Industrial Development Commission, the community attitude has changed from one of complacency to an aggressive desire to attract new industrial development investments for the greater Siouxland area.

Sioux City is the headquarters for several major corporations, including Advance Industries, Sioux Tools, IBP, Iowa Public Service, American Popcorn Company, Metz Baking, Schaeff/Namco, Sioux Bee Honey, Terra Chemicals International, Prince Manufacturing Corp. and Wilson Trailer.

Recent major investments include the new Marian Health Center, the St. Luke's Regional Medical Center, the new Iowa Public Service Building and at the heart of the new Sioux City, Terra Centre — a complex of office and retail space that serves as new headquarters for First National Bank, Norwest Bank and the Toy National Bank.

Terra Centre is, as the literature states, "an environment for the future." The 10-story steel framework houses 180,000-square-feet of office and retail space. The office tower is sheathed in insulating, reflective glass, and comfort systems are state-of-the-art. Low-cost heating and air conditioning can be controlled for entire floors, zones or individual offices.

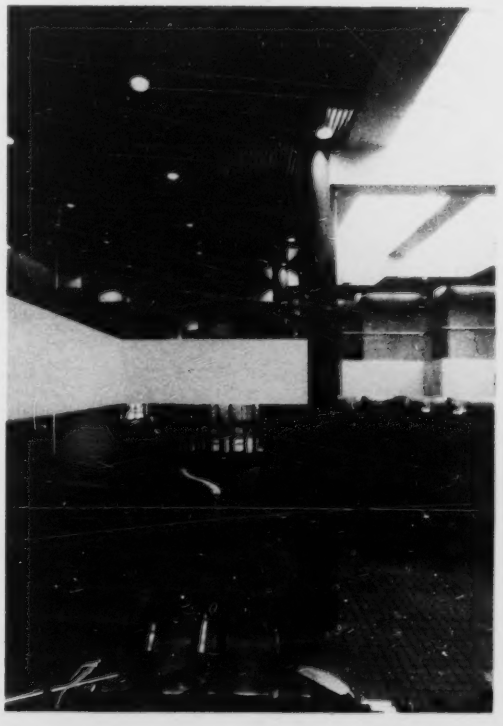
Terra Centre has been constructed to provide tenants with many important advantages that can mean significant dollar savings. For example, Terra Centre's telephone system is one of the newest and most modern systems available. It allows tenants to receive below-market rates for outgoing WATS service and has provisions for three-way conferencing, automatic callback and call forwarding.

Other features of the building include a security system which is in operation around the clock; a "life safety system" which can give immediate alerts to the Fire Department and pinpoint any trouble spot in the building; computer-controlled office lighting; emergency generators; and on-site building maintenance and management.

While office space occupies the upper levels, the first two levels of the building, surrounding the beautiful Terra Centre Atrium, have been designed for retail businesses. Not only will these businesses be able to draw customers from the building, but they will also be able to attract customers from the entire downtown perimeter. Three skywalks converge at the Atrium, carrying hundreds of people who are going about their daily business in downtown Sioux City. When completed, 22 blocks of Sioux City will be connected to Terra Centre by the all-weather covered skywalks.

The construction of Terre Centre is a result of the new community attitude and serves as a magnificent symbol of the aggressive spirit that is causing a period of dynamic growth in downtown Sioux City.

For more information about Terre Centre, contact the Terra Real Estate Corp., Terra Centre, 600 Fourth Street, Sioux City 51101; or call 1-800-831-1002 or in Iowa 1-800-352-1060.



The first two levels of the Terra Centre in downtown Sioux City opens onto the beautiful Terra Centre Atrium. This area has been designed for retail business. When fully leased, approximately 30 businesses will be located in the Terra Centre.

1984 Conference on Tourism

"All aboard!" Conference participants were shuttled to the Palace Theatre in Adventureland for the closing luncheon which featured the "Pride of Iowa" multi-media extravaganza produced by the University of Iowa.

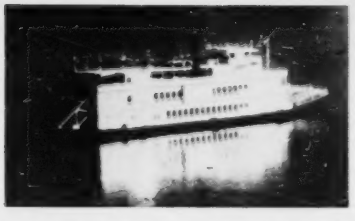
Chuck Offenburger, the "Iowa Boy" feature columnist for the ***Des Moines Register****, advocated a summer-long festival called the "Super Summer of '86" during his address as the opening luncheon speaker.*

Craig Walter (right), executive director of Iowa's Hotel/ Motel Association, was honored as the Iowa Tourism Person of the Year. (Below) Members of the Boone & Scenic Valley Railroad celebrated as Iowa's first tourism train was named the Event of the Year.

A. J. "Toche" Terrones, executive director of the Boone Chamber of Commerce and a member of the Festivals of Iowa, is the newly elected president of the Iowa Travel Council.

The nearly 180 conference participants spent two days at the Adventureland Inn in Des Moines listening to speakers discuss tour packaging; how to work with travel writers; and new marketing techniques in the travel industry.

The community of Elkhorn provided Danish hors d'oeuvres prior to the Iowa Travel Council Awards Banquet held October 3.



J. Glasnapp (above, far left), president of the Iowa Travel Council, and Mrs. Tuttle presented the first annual Iowa Travel Council Awards during the Wednesday evening, October 3, banquet. Top honors were bestowed upon the "Mississippi Belle," owned by Bob and Ruth Kehl (above center) of Roberts River Ride in Dubuque, as the Iowa Tourism Attraction of the Year.

Mrs. Donna Tuttle, U.S. Under Secretary of Travel and Tourism for the United States Department of Commerce, served as the keynote speaker during the awards banquet. Mrs. Tuttle stated that Iowa has taken the right step with its adoption of an advertising theme. She termed the theme, "Come Explore the Heartland," as excellent because it conveys a sense of mystery and uniqueness.

Tourism campaign '85

Last year, the Visitors and Tourism Section of the IDC introduced a new advertising campaign utilizing the theme, "Come Explore the Heartland." As a means to build and expand on the success of this image campaign, and in response to the request for a joint-venture program by the private sector, the 1985 Co-op Advertising Program was unveiled during the 1984 Conference on Tourism held October 3 and 4 in Des Moines.

"It's the first major co-op advertising campaign ever proposed or undertaken," states Paul Comer, manager of the Visitors and Tourism Section of the IDC. "It provides a vehicle for the private sector to become more involved in a unified effort to continue to project the image of tourism in Iowa and the attractions here in a quality manner."

The campaign vehicle referred to is the utilization of a newspaper insert that will be distributed to the full Sunday run of selected publications in late March or early April. Sunday papers have the highest readership, and people tend to spend more time with their Sunday paper, looking over the entire paper versus key sections of interest as they would on other days of the week.

The utilization of a four-page, full-color insert would initiate a response from those prospects and give them a reason to respond by offering something positive to them. As research shows, inserts are most effective for generating inquiries, especially when the insert offers additional information for the reader at no cost or obligation.

In addition, the female is usually the motivator in terms of vacation or long-weekend planning. Sunday readership tends to skew toward the female reader who is more likely to respond to inserts.

The publications that are under consideration for utilization of this insert are the *Chicago Tribune* and either the *Kansas City Star* or the *Omaha World-Herald*. Given budget restraints, these publications provide the best prospects reached for the lowest cost. The insert, placed in two of these markets, will reach more than 1.5 million people located in Illinois, Wisconsin, eastern Minnesota, Missouri, Kansas and eastern Nebraska.

"Normally, we receive approximately 30,000 inquiries. With the advertising investment last year, more than 6,000 additional inquiries were received. In 1985, with the implementation of the insert, the number of inquiries could triple," states Comer.

The design of the insert provides a full-color photo and approximately four paragraphs of copy promoting a particular event or attraction on the inside pages. Participation in this spread, at a cost of $3,000, is limited to 12 attractions, assuring equal exposure for all participants.

Another means of having an attraction or event included in the insert is by purchasing a "vacation listing" on the back page at a cost of $250 for each listing. This section will accommodate 27 attractions. That means that nearly 1.6 million households will be reached for as little as 16¢ per thousand households.

The success of the 1985 Co-op Advertising Program depends on the participation of the private sector. By developing this insert in a unified effort, the promotion will have a greater impact. In addition, the success of this effort begins work that can be expanded and built on in years to come, evolving into a tradition that people outside the state can look forward to receiving year after year.

For more information about the tourism campaign, contact Paul Comer at 515/281-3100.

Additional loans granted under the Iowa Community Development Loan Program

Fort Madison, Marion and Ottumwa have been granted economic development loans under the Iowa Community Development Loan Program, administered by the Office of Planning and Placement.

The three cities were among 15 applicants for the currently available $450,000 in state funds. According to the applicant cities, the three projects are expected to create 72 new jobs and retain an additional 74 jobs. In addition to the $450,000 of state funds, the cities and local businesses are providing $3.275 million for these projects.

The Iowa Community Development Loan Program is designed to provide communities interest free loans of up to $250,000 to assist new businesses or to provide expansion opportunities for existing firms. To date, over 32 projects have been provided funds under this program.

Mt. Pleasant receives state award

The Community Development Society of Iowa has presented its annual state award for promoting community development to Ernie Hayes, former chairman and member of the Iowa Development Commission, and Ed King, mayor of Mount Pleasant, for their industrial development efforts in Mount Pleasant. At its annual meeting in Ames on October 11, the society also honored the tourism efforts of Robert's River Rides in Dubuque and the Boone & Scenic Valley Railroad.

Iowa Economic Indicators

Office for Planning and Programming

Edward J. Stanek, Ph.D., Director

Steven L. Rosenow, Staff Economist

GSP grows in second quarter; continued growth seen in '84

The total value of all goods and services produced in Iowa — its inflation-adjusted **Gross State Product** or GSP — grew by 0.4 percent during the second quarter of 1984. The annualized growth rate of 1.5 percent for the period is significantly less than the national growth rate of 7.1 percent for the same quarter; the lower growth rate for GSP portrays a state economy which is lagging the national recovery in both timing and in vigor.

Preliminary data for the recently-ended third quarter suggest an annualized growth rate of approximately 3.5 percent for the period. The estimate for the third quarter is based on partial data and will be revised as more information becomes available. This flash estimate of the rate of growth is similar to the preliminary Gross National Product growth estimate for the third quarter.

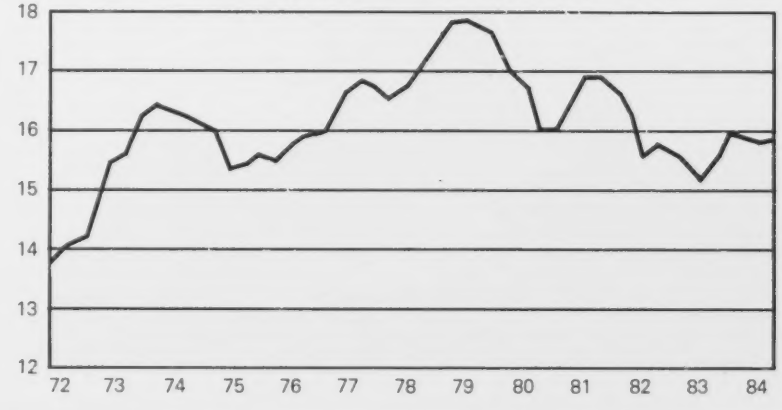
The growth of Iowa's economy during the second quarter occurred despite a weakening labor market. Total nonfarm payroll employment fell by 1.2 percent for the period, which contributed to a 0.5 percent decline and wages and salaries paid to the state's workers. The decline in wages and salaries,which account for about half of GSP, was offset by increases of 2.4 percent in dividends, interest and rental income and 4.5 percent in corporate profits attributed to production in Iowa.

Farm Income Improves

Farm proprietors' income also showed some improvement during the second quarter. However, this component of personal income remains exceptionally low by historical standards, and the turmoil which exists in the farm sector has been well documented. Some estimates suggest that as many as 10 percent of the state's farmers could go out of business during the next 12 months. They would be the victims of high interest rates, declining farmland values, the strong dollar and sluggish agricultural export activity. However, two events may ease these conditions for some farmers. One is stepped-up grain purchases by the Soviet Union which were scheduled to occur next year. The other is a change in federal programs which should assist in restructuring farm debts. Despite some recovery in the farm sector during the second quarter, the current uncertainty about the future health of agriculture is seen as the major risk to the state's economic recovery.

Iowa Gross State Product

(billions of constant 1972 dollars - seasonally adjusted annual rates)



Selected Economic Indicators

All Series Seasonally Adjusted

	Annual Average 1983	Latest Period	Value	Percent Change from Prior Period	Year Ago	2 Years Ago
Iowa Gross State Product (billions)						
Constant (1972) dollars	15.6	'84 Q:2	15.8	.4	2.3	.8
Current dollars	33.6	'84 Q:2	35.2	1.1	6.1	8.3
Iowa Personal Income (billions)						
Constant dollars	15.0	'84 Q:2	15.1	.1	1.5	.7
Current dollars	32.2	'84 Q:2	33.5	.9	5.3	8.3
Gross National Product (billions)						
Constant dollars	1,534.7	'84 Q:2	1,640.8	1.9	7.6	10.8
Current dollars	3,304.8	'84 Q:2	3,648.1	2.7	11.7	19.2
Iowa Composite Indices						
Leading	139.4	August	146.0	.9	2.6	15.9
Coincident	131.9	August	135.8	.0	3.7	2.0
Lagging	128.0	August	132.0	.8	3.9	3.0

(All indices - 1967 = 100)	Annual Average 1983	August 1984	Percent Change from Previous Month	Year	5-year High	5-year Low
Ia. Industrial Prod. Index	139.7	159.7	.8	12.4	173.2	129.5
Food & Kindred Products	138.9	137.5	.1	−2.8	145.7	133.7
Printing & Publishing	159.7	183.6	.4	6.8	183.6	154.5
Rubber & Plastics	253.7	359.7	2.1	14.2	359.7	230.2
Fabricated Metals	109.9	124.8	−.3	6.6	152.6	102.9
Nonelectrical Machinery	135.0	163.6	1.4	32.3	199.8	108.9
Electrical Equipment	114.9	121.8	.1	5.6	147.7	107.4

Nonfarm income rises in first quarter; farm sector experiences decline

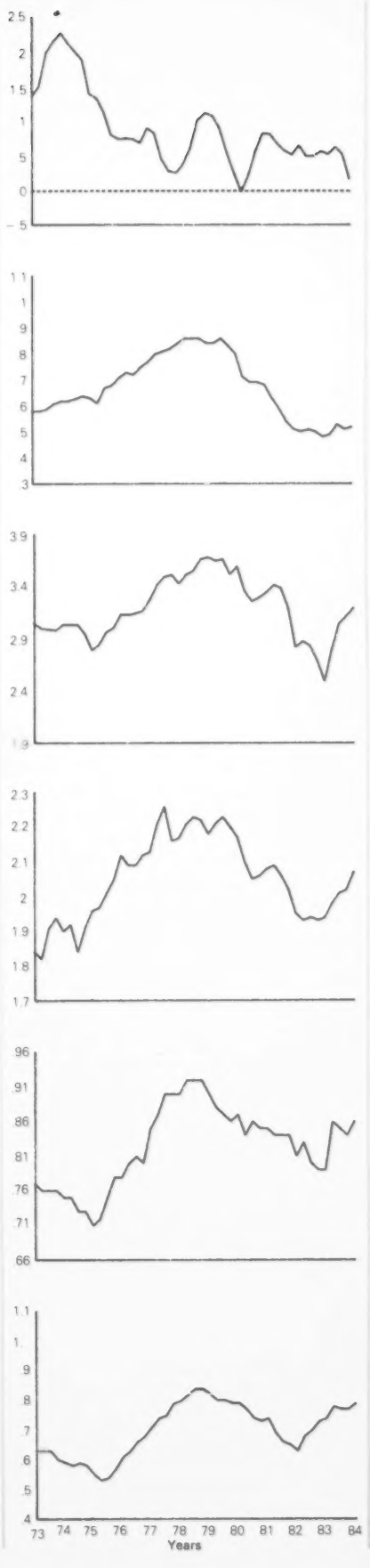
Nagging problems in the farm sector continued to plague Iowa's economy during the first quarter of 1984. **Total labor, proprietors' and corporate income** adjusted for inflation dropped by 1.6 percent for the period, largely due to a 69 percent decline in agricultural income. The index of prices received by farmers for their crops dropped by five percent during the period. At the same time, interest rates began to drift upward, increasing the cost of doing business for most of the farmers in the state. Available estimates of farm proprietors' income for the second quarter indicate that some improvement in the sector is likely. However, high interest rates, low commodity prices and falling land values are likely to dampen income growth in agriculture in the near future.

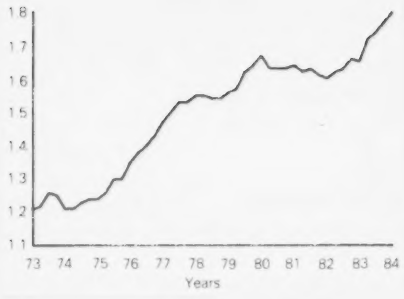
Total income attributed to the **goods-producing** sector declined by 7 percent during the first quarter. Falling income in this sector was due entirely to the drop in farm income; income in the construction and manufacturing portions of the goods-producing sector actually rose substantially during the period.

Total income generated in the **construction** industry rose by two percent during the first quarter after adjustment for inflation and seasonal factors. Despite rising interest rates, the state's construction industry experienced a surprisingly strong first quarter. The number of dwelling units included in new construction contracts rose by 2.6 percent over its level of the previous quarter. Much of the strength of the housing market has been attributed to an increasing reliance on adjustable-rate mortgages (ARM) in Iowa. These mortgages feature interest rates which vary with some indicator of current market interest rates, and usually feature below-market interest rates during the initial years of the mortgage. Use of ARMs for financing home purchases has been much higher in the Midwest than in other parts of the country. For example, the Federal Home Loan Bank of Des Moines reports that nearly 80 percent of the mortgage loans closed during May in the Des Moines district (Iowa, Missouri, Minnesota, North Dakota and South Dakota) were ARMs. During the same period, only 69 percent of the mortgage loans closed across the country featured adjustable rates. The construction industry appears to have maintained much of its strength during the second quarter, when the number of dwelling units

Total Labor, Proprietors' and Corporate Income in Iowa
Seasonally Adjusted at Annual Rates
Billions of Constant (1972) Dollars

	Annual Average 1982	1983	1983 Q:4	1984 Q:1	Percent Change from 83 Q:4	83 Q:1
Total Income	10.39	10.77	11.10	10.92	– 1.6	– 1.7
Goods-producing	3.86	3.95	4.17	3.88	– 7.0	9.0
Agriculture	0.53	0.56	0.52	0.16	–69.2	–71.9
Mining	0.02	0.03	0.03	0.03	0.0	50.0
Construction	0.51	0.50	0.51	0.52	2.0	8.3
Manufacturing	2.80	2.86	3.11	3.20	2.9	28.5
Durable Goods	1.55	1.57	1.78	1.87	5.1	43.8
Primary Metals	0.08	0.08	0.10	0.11	10.0	57.1
Fabricated Metals	0.22	0.23	0.25	0.25	0.0	31.6
Machinery	0.65	0.59	0.66	0.70	6.1	45.8
Electrical Equipment	0.28	0.26	0.28	0.29	3.6	20.8
Nondurable Goods	1.25	1.29	1.34	1.33	– 0.7	11.8
Food and Kindred	0.58	0.58	0.59	0.59	0.0	5.4
Printing and Publishing	0.22	0.22	0.22	0.22	0.0	4.8
Rubber and Plastics	0.11	0.12	0.13	0.13	0.0	18.2
Service-producing	6.53	6.83	6.93	7.04	1.6	6.2
Transportation & Utilities	0.81	0.84	0.84	0.86	2.4	8.9
Trade	1.94	1.99	2.02	2.07	2.5	6.7
Wholesale	0.89	0.90	0.91	0.94	3.3	6.8
Retail	1.04	1.09	1.11	1.13	1.8	6.6
Finance, Insurance and Real Estate	0.68	0.77	0.77	0.79	2.6	6.8
Services	1.63	1.72	1.77	1.80	1.7	9.1
Government	1.48	1.52	1.52	1.52	0.0	0.7





continued to rise moderately. Data for the first two months of the third quarter indicate a possible faltering in the growth of residential construction during the period.

Total income attributed to the **manufacturing** industries rose by 2.9 percent during the first quarter. The increase was concentrated among producers of durable goods; income generated in the manufacture of nondurable goods actually declined by 0.7 percent during the quarter. Within durable goods, the most substantial income increases occurred in nonelectrical machinery manufacturing (up 6.1 percent) and electrical equipment manufacturing (up 3.6 percent). The growth of income among durable goods producers is a positive sign since the income generated in this sector is the force behind much of the rest of the economy, and this sector had been severely ravaged by the recession.

Income attributed to the manufacture of nondurable goods dropped slightly during the first quarter. The decline occurred entirely in the other nondurable goods category, which includes chemicals, apparel and paper products. Income generated in the food product industry was unchanged from the previous quarter's estimate.

Estimated total income generated in the **service-producing** sector of the state's economy grew by 1.6 percent in the first quarter. Growth rates for the industry groups within this sector ranged from no growth in government income to 3.3 percent in wholesale trade income. Income among the producers of services, which is usually less affected by national business cycles than income among the goods-producing industries, has grown steadily for the past eight quarters.

A slightly healthier nonfarm economy apparently demanded more products and services from the **transportation, communication and public utilities** industries during the first quarter, increasing income from these industries by 2.4 percent during the period. Increasing production levels among the state's manufacturers may have led to some increases in the demand for trucking and warehousing services, a major portion of this sector.

Total labor, proprietors' and corporate income from the **trade** industries has risen with the fortunes of the nonfarm economy during the past year and has risen by 6.7 percent from its level of the first quarter of last year. The annual growth was evenly divided between the wholesale and retail portions of the trade sector.

Total income attributed to the **finance, insurance and real estate** sector rose by 2.6 percent in the first quarter. Employment in this sector is usually quite stable, and the rising interest rates of the first quarter helped to boost income from this sector by increasing the return on insurance companies' assets.

The **service** industries, which include everything from barber shops to amusement parks, experienced growth in income of 1.7 percent during the first quarter. The growth in income from the service industries during the past year has been higher than that exhibited by any other portion of the service-producing sector.

Leading indicators rise, likely growth seen

A bullish performance on Wall Street and signs of future improvement in the state's labor market combined to push the **Iowa Composite Index of Leading Economic Indicators** up by 0.9 percent in August. This index, which is designed to help assess the state's short-term economic outlook, has now risen in five of the past six months, decreasing only in July. The upward trend points to a decreasing likelihood of any major disruptions in the state's economy during the remainder of this year. The prime threats to this outlook are tied to interest rates and the strength of the dollar overseas. Current initial declines in short-term interest rates provide some basis for optimism.

Iowa Composite Index of Leading Economic Indicators

The **Iowa Composite Index of Coincident Economic Indicators** remained unchanged in August from July's level. This index, which is designed to reflect current economic conditions, had declined for four consecutive months before increasing in July. The lack of change in August resulted from a decline in employment that was offset by increasing levels of industrial production. The number of new incorporations in Iowa and retail sales tax receipts adjusted for inflation also rose during the latest period. However, neither indicator rose by enough to affect the composite index.

The **Iowa Composite Index of Lagging Economic Indicators** posted a 0.8 percent increase in August on the strength of increases in the amount of newspaper advertising space purchased and state income tax withholding receipts. This index, which is designed to reflect recent economic performance, has stalled most of this year after exhibiting growth during the latter half of 1983.

JOB SERVICE OF IOWA

Labor Market Information

Richard Freeman, Director

Ann Wagner, Labor Market Analyst

Unemployment data for August reflected considerable improvement from one year ago for both the state and the nation. Iowa's rate dropped to 4.2 percent in August, down from 4.4 percent for July and 5.7 percent for one year ago. The August rate represented 56,700 unemployed persons out of a statewide labor force that totaled 1,361,000.

The statewide drop in unemployment paralleled the national trend. The U.S. unemployment rate dropped from 9.5 percent in August 1983 to 7.5 percent in August 1984. (U.S. rates are seasonally adjusted.)

Total employment in Iowa registered a gain from last year. Employment rose to 1,304,300 in August from 1,293,700 for August 1983. Gains were all concentrated in the nonagricultural wage and salary sector of the economy.

Nonagricultural wage and salary employment (place of work) increased by 1,600 from July, and 18,700 from one year ago. Due to the large number of workers involved in labor disputes last year, employment increases from one year ago were somewhat overstated. A total of 5,400 workers were on strike during August 1983; 3,700 of those workers were separated from jobs in the communications industry.

Annual employment changes for the individual industries depicted an encouraging turnaround in durable goods manufacturing (13,300) and construction (4,400). These same industries were the first to incur employment losses in 1980, as Iowa's economy first felt the effects of a nationwide recession. Gains in these industries resulted from a combination of new hire and recall activity.

Iowa Labor Force Summary

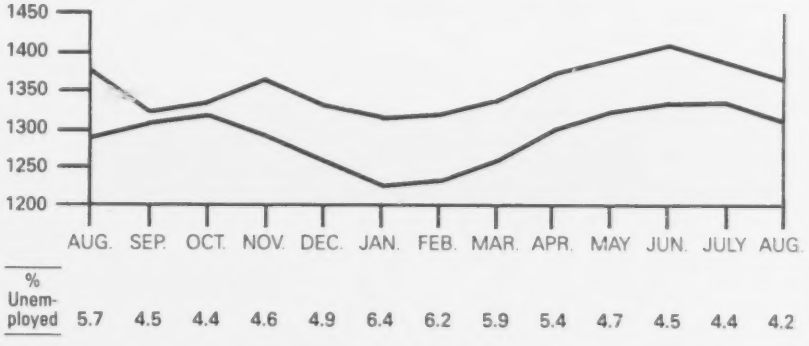
(In Thousands)

	August 1984	July 1984	August 1983
Resident Civilian Labor Force	1,361.0	1,384.5	1,371.7
Resident Unemployed	56.7	61.5	78.0
Percent Unemployed	4.2	4.4	5.7
Resident Total Employment	1,304.3	1,322.9	1,293.7
National Unemployment Rate*	7.5	7.5	9.5
Iowa CPS Unemployment Rate**	5.9	6.4	7.7

*Seasonally adjusted rate.
**Current Population Survey (CPS) rate should be used for federal and state funding purposes.

Labor Force, Employment, Percent Unemployed

Aug. 1983 thru Aug. 1984 (Non-CPS) State of Iowa



	AUG.	SEP.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JULY	AUG.
% Unemployed	5.7	4.5	4.4	4.6	4.9	6.4	6.2	5.9	5.4	4.7	4.5	4.4	4.2

Iowa Nonagricultural Wage and Salary Employment

Place of Work Data - In Thousands

	August 1984	July 1984	August 1983	Net Change From July 1984	Net Change From August 1983
Total Nonagricultural	1,024.5	1,022.9	1,005.8	1.6	18.7
Manufacturing	207.7	207.2	194.5	.5	13.2
Durable Goods	120.8	120.3	107.5	.5	13.3
Nondurable Goods	86.9	87.0	87.1	−.1	− .2
Nonmanufacturing	816.8	815.7	811.3	1.1	5.5
Mining	2.3	2.3	2.0	0	.3
Construction	47.1	46.2	42.7	.9	4.4
Transportation, Communication & Utilities	49.9	49.9	46.2	0	3.7
Trade	261.4	261.2	262.8	.2	−1.4
Finance, Insurance & Real Estate	61.9	61.9	60.4	0	1.5
Services	204.3	203.3	206.3	1.0	−2.0
Government	189.9	190.7	191.0	−.8	−1.1

Iowa Ag & Business Indicators

Compiled by the Iowa Development Commission

Labor Demand and Supply[1]

August, 1984

Service Areas	Individual Placements	New Applicants & Renewals	Service Areas	Individual Placements	New Applicants & Renewals
Ames	475	740	Iowa City	498	1,917
Atlantic	231	493	Keokuk	90	580
Burlington	1,122	1,767	Marshalltown	1,264	1,624
Carroll	230	670	Mason City	963	1,576
Cedar Rapids	441	2,335	Muscatine	127	582
Centerville	160	373	Newton	437	635
Charles City	98	135	Oskaloosa	217	488
Clinton	705	1,471	Ottumwa	370	1,233
Council Bluffs	NA	NA	Sheldon	561	728
Creston	92	475	Shenandoah	186	614
Davenport	526	3,434	Sioux City	2,142	3,184
Decorah	49	302	Spencer	192	604
Des Moines	1,281	4,380	Storm Lake	184	409
Dubuque	259	1,919	Waterloo	1,214	2,515
Fairfield	39	191	Webster City	85	341
Fort Dodge	759	1,228			
Fort Madison	231	599	Statewide	15,323	37,810

[1]All new applicants and job openings listed with Iowa Department of Job Service.

U.S. Consumer Price Index

	July 1984	July 1983
All Urban Consumers (1967 = 100)	311.7	299.3

U.S. Composite Construction Cost Index

	April 1984	April 1983
U.S. Composite Construction Cost Index (1977 = 100)	161.9	156.8

Business Data

	7/84	7/83	7 mos./84	7 mos./83
New Car Registrations	6,956	8,631	53,748	53,463
Iowa Savings & Loan ($000,000)				
Total Loans Closed	69.7	46.3	403.8	254.7
Savings	13.8	26.2	174.1	587.5
Work Force (000)	1,384.6	1,391.7	1,356.3	1,363.3
Unemployment	61.3	78.6	72.3	94.6
Rate (% of work force)	4.4	5.6	5.4	7.0
Employment	1,323.3	1,313.2	1,284.0	1,268.7

Value of New Dwellings[1] ($000)

	8/84	8/83	8 mos./84	8 mos./83
Ames	$ 2,527.5	$ 1,448.0	$ 4,482.5	$ 3,260.0
Bettendorf	985.6	2,010.9	6,217.2	5,539.6
Burlington	52.0	36.0	993.0	984.7
Cedar Falls	136.6	234.4	1,407.5	1,101.5
Cedar Rapids	385.8	142.9	2,801.5	1,119.1
Clinton	65.0	372.0	345.0	854.5
Council Bluffs	782.1	576.0	5,360.5	1,923.5
Davenport	1,351.7	721.4	6,998.2	5,317.4
Des Moines	799.7	186.3	22,938.0	3,706.8
Dubuque	278.2	277.8	1,537.9	970.3
Fort Dodge	204.0	0	4,437.5	864.3
Iowa City	668.9	2,134.3	14,256.4	24,147.8
Keokuk	175.0	0	546.0	246.0
Marion	0	69.0	942.3	613.2
Marshalltown	45.0	948.0	468.0	1,185.0
Mason City	598.0	551.0	3,643.8	2,135.1
Muscatine	0	1,850.0	990.0	4,865.6
Newton	0	65.0	235.8	240.0
Ottumwa	57.6	0	286.6	445.0
Sioux City	193.0	297.8	1,584.9	1,399.0
Urbandale	1,717.7	658.9	12,515.0	4,243.7
Waterloo	45.1	656.6	1,015.8	2,012.1
W. Des Moines	6,882.9	968.4	17,392.5	10,300.2
Total	**$ 17,951.4**	**$ 14,204.7**	**$ 111,395.9**	**$ 77,474.4**

[1]Single, two-family and multiple residential dwellings, based on housing permits issued.

Leading States for Farm Marketing ($ Mil.)

	Total		Crops		Livestock & Products	
	6 mos./84	6 mos./83	6 mos./84	6 mos./83	6 mos./84	6 mos./83
U.S.	35,841.5	35,003.4	24,966.6	28,961.6	60,808.0	63,895.1
Iowa	2,506.1	2,878.7	1,547.5	2,230.4	4,053.6	5,109.1
California	2,171.5	2,036.3	3,147.3	2,962.6	5,318.8	4,998.9
Texas	2,933.2	2,712.8	1,158.4	1,457.9	4,091.5	4,170.7
Illinois	1,154.8	1,179.2	2,479.6	3,490.9	3,634.4	4,670.1
Kansas	2,121.7	1,986.7	721.6	825.4	2,843.3	2,812.0
Nebraska	2,217.1	2,239.8	626.1	1,189.0	2,843.2	3,428.8
Minnesota	1,669.4	1,704.0	953.4	1,288.3	2,622.7	2,992.3
Wisconsin	1,955.6	2,118.5	385.3	420.5	2,340.9	2,539.0
Florida	499.6	475.7	2,286.3	2,415.0	2,186.0	2,890.7

Personal Income Quarterly Periods

	1984 I	1983 I
Personal Income ($000,000)	36,566	30,722

Stock Index

	Iowa*	Dow Jones Industrial
June, 1984	197.80	1,132.40
July, 1984	190.52	1,115.28
August, 1984	210.76	1,224.38

*Robert C. Westlund, Piper, Jaffray & Hopwood, Inc. (1967 = 100)

Average Price Received by Farmers

	8/84	7/84	8/83
Corn, bu.	$ 3.05	$ 3.21	$ 3.27
Soybeans, bu.	6.46	6.96	7.37
Oats, bu.	1.75	1.83	1.60
Hogs, cwt.	50.40	51.60	46.60
Beef cattle, cwt.	56.30	57.70	56.10
Calves	56.70	57.80	54.50
Milk (whls), cwt.	12.60	12.50	12.70
Sheep, cwt.	18.00	18.10	14.50
Lambs, cwt.	62.00	61.10	48.30
Eggs (market), doz.	.42	.43	.49
All hay, ton baled	57.00	63.00	54.00
Turkeys, lb.	.44	.44	.34

Average Price Paid by Farmers

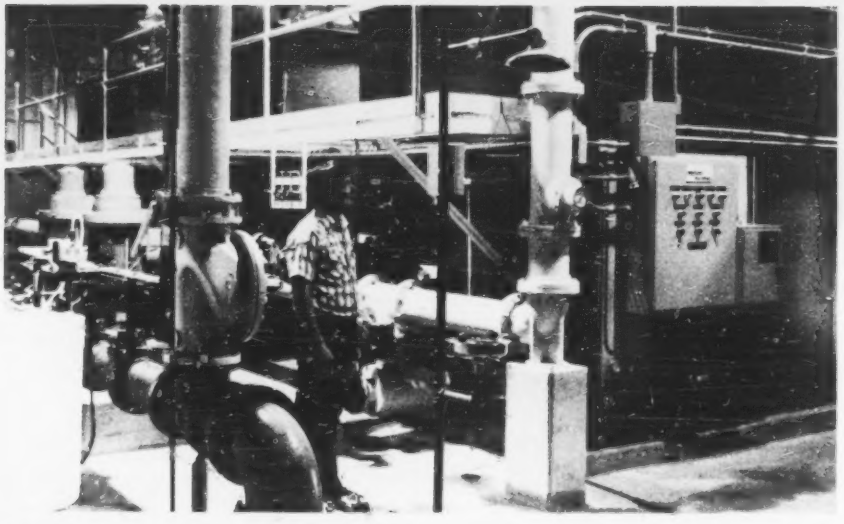
	8/15/84	8/15/83
Beef cattle concentrated, 32-36%	$ 12.00	$ 13.60
Hog feed, 38-42% protein	13.80	16.10
Soybean meal, 44% protein	11.00	14.50
Dairy feed, 16% protein	187.00	200.00
Poultry feed, layer ration	205.00	192.00

Commodity Feed Price Ratios

	8/15/84	8/15/83
Hog — corn[1]	16.5	14.3
Beef cattle — corn[1]	18.5	17.2
Egg — feed[2]	4.6	5.4
Milk — feed[3]	1.35	1.27

[1]Bushels of corn equal in value to 100 lbs. of hog or cattle liveweight.
[2]Pounds of laying feed equal in value to 12 eggs.
[3]Pounds of concentrate ration equal in value to 1 lb. of wholesale milk.

Unique water treatment plant operating in Greenfield



The new Greenfield Water Treatment Plant utilizes the Trident water treatment system, composed of two compartments. First is the Clarifier compartment with a plastic particle media which filters out the major portion of the contaminates. The water then flows through the second compartment which consists of filter, made up of a fine to coarse sand and gravel media.

The new Greenfield Municipal Utilities Water Treatment Plant is the first in the state, and one of the few in the country, to employ the Trident water treatment system. This cost-effective process provides a better quality of water because it is controlled by a micro processor that continuously monitors the quality of the treated water and changes chemical dosages accordingly.

This treatment system is capable of providing 700 gallons per minute of treated water on a continuous basis; with a total capacity of 1,050 gallons per minute. This is equal to 1 million gallons per day continuously and 1.5 million gallons per day total capacity.

For more information about the Greenfield Water Treatment Plant, contact Duane Armstead, superintendent, at P.O. Box 95, Greenfield 50849.

Free publicity for your products

The Johnston International Publishing Corp., one of the oldest and largest publishers in the United States specializing in international business magazines, will publish, free of charge, news releases discussing new or relatively new products. Their line of inquiries is quite varied and can provide some excellent exposure in the international marketplace. For additional information, contact the International Marketing Section at the IDC, 515/281-6823.

New IDC staff

Riekena joins Marketing Group

Ron Riekena has joined the Marketing Group in the newly-created position of business and industry training liaison in the Human Resources Section. Prior to joining the IDC, Riekena served as the personnel director for Babson Brothers in Osceola and served as 1983-84 chairperson of the Private Industry Council-JTPA for SDA 14. In addition, he has 26 years of experience in public education, serving as superintendent of schools in both Kanawha and Osceola.

A graduate of Drake University, Riekena has a master's degree from the University of Northern Iowa and a doctorate from Iowa State University.

Jarvis joins Communications Group

Wendol Jarvis has joined the staff of the Communications Group as audio visual/film manager, replacing Bill Lindstrom who resigned to serve as director of the Wyoming Film Office.

Prior to joining the IDC, Jarvis served as the photographer for the Veterans Administration Medical Center and as coordinator of creative visual services for Iowa Farm Bureau Management Corporation. He has received numerous awards for excellence in both his AV production and photography.

Kersten joins Community Resources staff

James B. Kersten has joined the Community Resources Group as a regional manager, replacing Debbie Calvert who resigned to join Shive-Hattery Engineers in Des Moines. Kersten, a native of Fort Dodge, served as an intern in economic development at the Iowa Development Commission while attending Drake University. He received his degree in public administration from Drake in May 1984.

Available Buildings

This is not a complete list of all buildings available in Iowa. For further information, please call 515-281-3251.

Square Footage	Community	Former Use
10,000	Charles City	Spec Building
11,000	Dubuque	Light Industrial
11,750	Iowa City	Industrial
11,916	Winfield	Light Manufacturing
12,000	Sioux City	Spec Building
12,500	Cherokee	Light Industrial
13,500	New Hampton	Industrial
14,794	Adel	Industrial
15,200	Brooklyn	Manufacturing
16,000	Lake Mills	Manufacturing
20,000	Clinton	Spec Building
20,000	Maquoketa	Spec Building
21,000	Corning	Spec Building
21,205	Oskaloosa	Spec Building
21,379	Waterloo	Commercial
22,280	Humboldt	Industrial
22,500	Red Oak	Spec Building
23,000	Waverly	Spec Building
27,660	Pella	Industrial
30,000	Marshalltown	Spec Building
31,516	Webster City	Distribution
35,706	Mason City	Light Industrial
37,500	Spencer	Manufacturing
40,000	Creston	Spec Building
42,300	Jefferson	Light Industrial
45,486	Humboldt	Warehousing
49,474	Albia	Manufacturing
54,080	Oskaloosa	Industrial
59,512	Denison	Manufacturing
65,106	Ottumwa	Industrial
70,766	Forest City	Manufacturing
72,000	Davenport	Light Industrial
96,250	Davenport	Heavy Industrial
106,288	Des Moines	Manufacturing
108,000	Waterloo	Heavy Industrial
121,500	Sioux City	Heavy Industrial
130,227	Urbandale	Manufacturing
137,500	Centerville	Manufacturing
159,339	Mason City	Manufacturing
169,000	Red Oak	Manufacturing
186,567	Sac City	Industrial
248,530	Waterloo	Manufacturing

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IDC DIGEST

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Iowa State University's Ag POLICY SEMINARS

A series of six Ag Policy Seminars to analyze current economic and political aspects of agricultural policy in depth and examine the consequences of alternative policies will be held throughout Iowa in December.

Sponsored by Iowa State University, the two-day program will be repeated at each of six sites, according to C. Phillip Baumel, ISU Extension economist who's serving as program chairman. The program will be conducted in **Iowa City**, December 3 and 4; **Waverly**, December 5 and 6; **Des Moines**, December 6 and 7; **Sioux City**, December 11 and 12; **Fort Dodge**, December 12 and 13; and **Red Oak**, December 13 and 14.

"The seminars will examine options in agricultural policy for the next decade as well as options for the 1985 farm bill," Baumel said. "Speakers will explore main policy options that have an impact on agriculture and examine the alternatives, their cost, implications and effect on Iowa.

"While the focus is on agriculture, that industry affects most of Iowa's main street business and much of its other industry. The program is designed for key leaders from agriculture, business, industry and community, as well as individuals who want to know more about agriculture and economic policy and its effects on the local economy," he added.

Speakers will include economic and political advisers from Washington, D.C., agribusiness leaders, and the leading agricultural economists from Iowa and surrounding states who are known nationally for their expertise in these topics.

Persons interested in attending may contact any county Extension Service office in the state for further program details and registration information.